

Message Text

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42

ACTION XMB-07

INFO OCT-01 NEA-10 ISO-00 AID-20 CIAE-00 COME-00 EB-11

FRB-02 INR-10 NSAE-00 RSC-01 TRSE-00 OPIC-12 SPC-03

CIEP-02 LAB-06 SIL-01 OMB-01 DRC-01 /088 W

----- 033401

R 071435Z JAN 74

FM AMEMBASSY ANKARA

TO SECSTATE WASHDC 2306

LIMITED OFFICIAL USE ANKARA 117

E.O. 11652: N/A

TAGS: ETRN, US, TU

SUBJ: TURKISH WITHHOLDING TAX ON EXIMBANK CREDITS

REF A. STATE 000022 B. ANKARA 9674

1. EMBASSY CONCURS FULLY WITH PROPOSAL FOR FORWARDING LETTER FROM EXIMBANK TO MINISTER OF FINANCE REGARDING EXEMPTION OF EXIMBANK FROM GOT WITHHOLDING TAX. WE BELIEVE THAT A LETTER FOLLOWING ON RECENT EMBASSY APPROACH TO AHMET TUFAN GUL, SECRETARY GENERAL OF TREASURY, COULD BE MOST USEFUL IN GETTING DECISION WITHIN GOT THAT HAS BEEN CONSIDERING MATTER FOR FAR TOO LONG.

2. WE BELIEVE THAT LETTER SHOULD BE FACTYAL PRESENTATION OF STATUS OF EXIMBANK AS US GOVERNMENT ENTITY THAT ENJOYS TAX EXEMPT STATUS BOTH IN UNITED STATES AND OTHER COUNTRIES WHERE IT OPERATES. LETTER SHOULD CERTAINLY MENTION DIFFICULTY POSED FOR EXIMBANK OF CONTINUING TO PROVIDE FINANCING AT LOW INTEREST RATE IF BENEFIT OF THIS TO TURKISH ECONOMY IS TO BE CANCELLED IN PACT BY ADDITIONAL COST TO BORROWER, DIRECTLY OR INDIRECTLY, THROUGH IMPOSITION OF WITHHOLDING TAX. THIS POINT, HOWEVER, SHOULD BE MADE TACTFULLY IN TERMS OF THE DIFFICULTY FOR EXIMBANK AND THE ADVERSE EFFECT ON
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DEVELOPMENT EFFORTS IN TURKEY. IT SHOULD

AVOID ANYTHING THAT COULD BE
CONSTRUED BY GOT AS "THREAT" THAT EXIMBANK WILL CEASE
DOING BUSINESS IN TURKEY IN PUBLIC AS WELL AS PRIVATE
SECTOR. DEPARTMENT AND EXIMBANK ARE WELL AWARE OF
TURKISH SENSITIVITIES AND PROPENSITY TO DIG IN WHEN
FACED WITH WHAT THEY CONSIDER TO BE THREATS OF RETALIATION
FROM OUTSIDE. MOREOVER, WE BELIEVE THAT VERY POSITIVE
ATTITUDE BY GUL (ANKARA 9674) SUGGESTS THAT MATTER IS
NOW ON WAY TOWARDS RESOLUTION.
MACOMBER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: LOANS, TAXES
Control Number: n/a
Copy: SINGLE
Draft Date: 07 JAN 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974ANKARA00117
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: ANKARA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1974/newtext/t19740160/aaaacedy.tel
Line Count: 71
Locator: TEXT ON-LINE
Office: ACTION XMB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: A. STATE 000022 B. ANKARA 9674
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 27 AUG 2002
Review Event:
Review Exemptions: n/a
Review History: RELEASED <27 AUG 2002 by boyleja>; APPROVED <29-Aug-2002 by MorefiRH>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TURKISH WITHHOLDING TAX ON EXIMBANK CREDITS
TAGS: ETRN, US, TU, EXIMBANK
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005